

# Tepid Demand Hurts Rubber

- A continuing downturn in automobile sales affected natural rubber consumption in May
- Last year, demand was initially good but fell from Nov and has not picked up yet
- Rains helped tapping after a long dry spell, which has led to a marginal rise in supply in May
- But a drop in export was expected as the difference between domestic and international prices narrowed down
- The dip in imports is due to a tepid demand because the tyre industry is not keeping a long inventory



₹ 200 per kg  
Global prices in May 2012 making it lucrative for the exporters

₹ 25-30 per kg  
Drop in global prices in May 2013 in comparison to May 2012

